

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

**Public Services** - Treasuries and Accounts Department – Release of inflated budget to the unit officers of DM & HS Department during the year 1997-98 - Disciplinary action initiated against Sri G.Guru Raju, Joint Director (Retd.) - Imposition of a punishment of withholding of 10% of his pension for a period of (5) five years under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

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### FINANCE (ADMN.I.VIG.) DEPARTMENT

**G.O.Rt.No. 4986**

**Dated:31-12-2008.**

**Read the following:**

1. DTA Lr.No.KII(B)/18549/2002, dt. 15-7-2004 and 28-8-2004.
2. G.O.Rt.No.3165, Finance (Admn.I.Vig) Deptt., dt. 26-11-2004
3. Statement of defence of Sri G.Guru Raju, Joint Director, dt. 15-12-2004.
4. G.O.Rt.No.3854, Fin. (Admn.I.Vig) Deptt., dt. 30-10-2006.
5. Enquiry report of Sri Janak Raj, IPS (Retd.) Commissioner COI, GAD vide D.O.Lr.No.435/COI.JR/2006, dt. 14-5-2007
6. Govt. Memo.No.2209/280/A2/Admn.I.Vig/2004, dt. 28-5-2007.
7. DTA Lr.No.KII (8)/18549/2002, dt. 28-8-2007 along with explanation of Sri G.Guru Raju, JD (Retd.).
8. Govt. Memo.No.2209/280/A2/Admn.I.Vig/200, dt. 14-11-2007.
9. DTA Lr. No. D1/4951/2007, dt. 30-1-2008 along with explanation of Sri G.Guru Raju, JD (Retd.)
10. Govt. Memo.No. 2209/280/A2/Admn.I.Vig/2004, dt. 20-2-2008.
11. DTA Lr.No.K.II(8)18459/2002, dt. 26-3-2008 along with proforma particulars of Sri G.Guru Raju, Joint Director (Retd.).
12. Govt. Letter No. 2209/280/A2/Admn.I.Vig/2004, dt. 07-05-2008. addressed to Secretary, APPSC, Hyderabad.
13. Secretary, APPSC Lr. No.651/RT-I/3/2008, dt. 17-06-2008.
14. Representation of Sri G.Guru Raju, JD (Retd.), dt 31-7-2008.

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### ORDER:-

In the reference 1<sup>st</sup> and 2<sup>nd</sup> read above, the Director of Treasuries and Accounts has reported about the lapses committed by Sri G.Guru Raju, the then Joint Director, O/o. the DM & HS for releasing inflated budget to the unit officers of DM & HS Department, during the year 1997-1998. As per the provisions contained at chapter-19 in the A.P. Budget manual therein it is the responsibility of the Chief Controlling officer and his subordinate controlling officers to incur expenditure within the limits of budget, reconciliation of such expenditure and taking action for making sufficient provisions under different detailed heads as per the requirements of his department. In order to streamline the system of expenditure within the budget allotments and also to avoid ways and means difficulties, the Government have introduced system of budget control in G.O.Ms.No.101, Fin (BG.II) Department, dt. 18-5-1967. As per this system, the responsibility of the Chief Controlling Officer is to prepare district budgets for authorizing onwards transmission to the District Treasury Officer under the authority of Director of Treasuries and Accounts and the District Treasury Officers should admit the bills with reference to the district budget. The subordinate controlling officers like wise distribute taluq wise budget and transmit under the authority of district treasury officers concerned. The sub treasury officers will admit the bills only against the authorized budget. Under this system of budget control it is the responsibility of the drawing and disbursing officers, subordinate controlling officers and the chief controlling officer, to reconcile his expenditure and ensure that the expenditure does not exceed the budget provision kept at their disposal. Their functioning is governed by the instructions issued in G.O.Ms.No.209, Finance (Admn.I) Department, dated 13-3-1963 read with G.O.Rt.No.1416, dated 1-7-97 of Finance (Admn.I) Department. The DTA/JD/DD as a head of the department of the staff working in the Accounts Branches undertake inspection of those accounts branches.

2. Based on a compliant received from the A.C.B. authorities that Sri G.Guru Raju as Chief Accounts Officer has prepared inflated budgets, the DTA verified the allegation contained in the petition and called a report from the Chief Accounts Officer, O/o. the DM & HS. It is reported that the P.A.C. has pointed out an excess expenditure of Rs. 11,00,000/- incurred by the K.G. Hospital, Visakhapatnam and furnished an inspection report of his office. Thereupon the DTA has obtained the budget authorizations communicated by the Joint Director, O/o. the D.M. H.S. to various District Treasuries and they were verified with the record of concurrence issued by this office and found that Joint Director has issued authorizations excess of the concurrences issued by the DTA in contravention to the instructions issued in the G.O.Ms.No.111, Finance (W&M) Department, dated 26-04-75.

3. After a review of the system of budget authorizations, the Government vide G.O.Ms.No.111 of Finance and Planning (W&M) Department, dt. 26-4-1975 have issued orders authorising the Chief Accounts Officers of various Head of the Departments to obtain the concurrence of the DTA for the amounts worked out and proposed to be allocated to various drawing officers and issue authorizations to the DTOs based on the concurrence so obtained. In such authorizations, the Chief Accounts Officer concerned has to certify that it was issued with the concurrence of the DTA duly quoting the reference number and the date of concurrence. This is only to facilitate the Head of the Departments concerned, which are bigger in size, to communicate the authorizations quickly. Under this system the CAO concerned is supposed to issue authorization strictly as per the concurrence obtained from the Director of Treasuries and Accounts. Authorizations of any amount in excess of that concurred with by the DTA, amounts to a clear financial irregularity.

4. In the instant case authorizing the amounts in excess of those concurred with by the DTA is a clear financial irregularity on the part of the Sri G.Guru Raju, the then Chief Accounts Officer/Joint Director, DM & HS, Hyderabad now Joint Director (Retd.). Whatever the concurrences issued by the DTA are only controlled items. All the heads pointed out in his letter, dt. 15-7-2004 are only controlled items and there was no scope for the office of the DTA to issue concurrence in respect of any other items released under exemptions from budget control, Treasury control etc.

5. In view of the above said circumstances and in compliance with the directions issued by the Government, the DTA has directed Sri A.Shiva Prasad, Deputy Director, East Godavari District to conduct a detailed verification of the concurrence issued by the DTA with the budget authorizations by the Joint Director/Chief Accounts Officer, O/o. D.M. & H.S., Hyderabad to the District Treasuries for the period from 1998-99 to 2003-2004. He was also directed to submit his report in the matter by 31-8-2004 without fail as directed by the Government. The Director of Treasuries and Accounts has furnished imputations and documentary evidence against Sri G.Guru Raju, former Joint Director, O/o. D.M & H.S. According to imputations Sri G.Guru Raju former Joint Director has released over and above to certain unit officers than the concurrence obtained and in some cases duly quoting false DTA's concurrence numbers to certain district i.e., released the budget without any concurrence from the DTA and also released budget even not quoting the concurrence number to unit officer. Thus Sri G.Guru Raju, former Joint Director being responsible officer and financial adviser to the Head of the Department failed in his duties and to observe strict discipline and accuracy in incurring/releasing the Govt. amounts and released a total amount of Rs. 40,94,203/- at his discretion violating the norms prescribed for release of amounts to the unit officers which attracts disciplinary action. Therefore, the Director of Treasuries has forwarded the case of Sri G.Guru Raju, Joint Director to Government for taking further action in the matter.

6. Government after careful consideration of the report of the Director of Treasuries and Accounts and relevant material evidences, initiated the departmental proceedings against G.Guru Raju, Joint Director vide G.O. 2<sup>nd</sup> read above under Rule 20 of A.P. Civil Services (CC&A) Rules, 1991. The following Charges were framed against Sri G.Guru Raju, former Joint Director, Medical and Health Services.

**Charge-I:**

***That Sri G.Guru Raju, Joint Director, Pension Payment Office, Hyderabad while functioning as Joint Director, O/o. D.M. & H.S., A.P., Hyderabad during the period 1997-98 has released amounts more than the concurrence obtained from the Director of Treasuries and Accounts and in some cases released the budget duly quoting false concurrence numbers to the districts units for Rs. 21,62,308/- as shown in Annexure-I enclosed to the statement of imputations and thereby violated the norms prescribed for release of budget.***

***Thus Sri G.Guru Raju, Joint Director, Pension Payment Office, Hyderabad by the above mentioned act has exhibited lack of integrity and conduct unbecoming of a Government servant and thereby contravened Rule 3(1) and (2) of APCS (Conduct) Rules, 1964.***

**Charge-II**

***That Sri G.Guru Raju, Joint Director, P.P.O., Hyderabad while functioning as Joint Director, O/o. D.M. & H.S., AP, Hyderabad during the period 1997-98 has released an amount of Rs. 19,31,895/- to the unit officers without quoting the relevant budget authorization letter No. of the Director of Treasuries and Accounts as shown in annexure-II which is enclosed to the statement of imputations which resulted in willful release of amounts to the unit officers against the norms prescribed for release of budget.***

***Thus, Sri G.Guru Raju, Joint Director, PPO, Hyderabad by the above mentioned act has exhibited lack of integrity and conduct unbecoming of a Govt. servant.***

7. Sri G. Guru Raju, Joint Director, in his defence statement has stated that the budget provided in the budget estimates are processed by the Section and the Director of Health is the Chief Controlling Officer and the Head of the Department for all the Health Schemes. There were nearly 35 to 40 health programmes. The process and release of budget is arrived at based on the No. of institutions in the District under the control of the Director of Health. All the District Officers are subordinate controlling officers in respect of all the financial matters as per the Budget manual. Any other contingency for settlement of pending bills for the supplies already made under detailed heads i.e. 240, 460 & 670, the releases were also made sometimes as per the request made to the Director of Health in their review meetings conducted with other Program Officers, District Medical and Health Officers, Additional District Medical and Health Officers and Administrative Officers. During such meetings, it is the prerogative of the Director of Health as a Chief Controlling Officer to consider any such amounts as required in the meeting on the basis of need of the programme for its implementation. As the Head of the Department i.e. Chief Controlling Officer, the Director of Health is the competent authority to review, supervise, monitor and recommend for any such other additional quantum of money to be released in order to monitor and control the Health programmes in order to provide utmost health care in the State, without getting any criticism. As such, Director of Health allows the additional quantum of releases in order to control the situation based on the problems, expressed by the Unit Officers who are the program implementing authorities on various health programmes in the entire state. As per the provisions the Budget manual, the Director of Health/Head of the Department is the competent authority to release entire Budget amount/ retain entire amount with him and it is desirable to retain certain small amounts from the total budget appropriation to enable the HOD/Chief Controlling Officer/Director of Health to sanction any additional funds required for release whenever required to the subordinate officers.

8. Sri Gururaju, Joint Director contended that the imputations are one sided and they can be berated as abnormal, one-sided, uncalled for and unfounded as the imputations are based on the representation of the suffering pensioner which is an anonymous/pseudonymous petition received in the year 2002. It is not clearly known as to whether the pensioners are insisting or the then head of the Department had promoted it in order to arrive at a conclusion without giving a reasonable opportunity for a period of 2 years, silently kept the issue and abruptly

arrived at before certain promotions in the Department. This tendency of clearance of the pendency after a period of 2 years clearly shows that, this is nothing but settling issue at the 11<sup>th</sup> hour as an elimination process to provide cushion to the others. The DTA had never made any check by constituting teams and nor similar check been conducted during any time. As a Head of the Department, the then, DTA, Hyderabad has to constitute inspection/Audit teams on his own accord as per the codal provisions and this important aspect has never been touched by the then DTA, AP, Hyderabad but neglected. He could make attempts to malign him for the last two years concocting stories against him with a sole aim of eliminating him to the post of DTA and he could succeed to send proposals to Govt. just his name is about to be considered for the post of DTA. Hence, the charges framed against him are not based on the real facts but on imagination, which require to be disregarded by Government.

9. Government appointed Sri Janak Raj, IPS (Retd.), Commissioner of Inquiries, as Inquiring Authority and Sri M.A.Majeed Khan, Director of State Audit as Presenting Officer vide G.O.4<sup>th</sup> read above to conduct regular inquiry into the charges framed against Sri G.Guru Raju. In the inquiry, the charges framed against the Charged Officer are held proved. The findings of the Enquiry Officer in respect of Sri G.Guru Raju the then Joint Director, Office of the Director of Medical and Health Services are as follows:

10. The first charge pertain to releasing amounts more than the concurrence obtained from the DTA and in some cases releasing the budget duly quoting false concurrence numbers to district units. The second charge is regarding release of amount to unit officers without quoting the relevant budget authorization letter number of the DTA. Both the charges pertain to the period of 1997-98. As per the laid procedure, while releasing amounts to the unit officers, the Heads of Departments have to release the amounts only after the DTA concurrence has been obtained without making any deviation of detailed heads or districts to be released. As many as 30 cases have been listed in Annexure-II of the charge in this connection wherein the CO has contravened and flouted the rules while releasing amount to the unit officers.

**10.1. The presenting Officer, in his presentation notes gave a brief of the case and later submitted his written arguments. While pointing out the main outline of the lapses committed by the C.O. as per the Articles of Charge, the Presenting Officer gave details of the facts borne on records in respect of 17 cases under Annexure-I and one case under Annexure-II appended to the Charged Memo. These cases pertain to the instances where the C.O. has released excess amounts under wrong sub heads, there are instances where the amounts meant for one district were diverted to another district. Again, there are instances given with details where false concurrence numbers have been quoted while releasing the amounts, which are as follows:**

- Certain amounts were released without any concurrence under SH (11) vide DTA Endt. No.J1//12020/97-451 (c), dt. 3-7-97, the C.O. has released a sum of Rs. 1,11,100/- under SH (22) resulting in release of excess of amounts of Rs. 1,11,100/- under SH (22) to the drawing officer, DM & HO, Guntur, against NIL authorization of DTA vide his Procs.Rc.No.6807/B2/97-98, dt. 9-9-1997.
- In another case, the DTA had given concurrence for an amount of Rs. 6,00,000/- under SH (130/670 vide his Endt. No. HJ1/9897/97-98-1756 (c), dt. 24-1-98 in favor of the drawing officer, King George Hospital, Visakhapatnam, the C.O. has released the said amount in favor of the Superintendent, MGM, Hospital, Warangal, vide his Progs.No.6815/132/97-98, dt. 2-3-1998.
- Another typical case wherein the DTA has given concurrence for an amount of Rs.36,086/- under SH (35)p vide DTA Endt. No.J1/12020/97-98451 (c), dt. 3-7-1997 in favor of the drawing officer, DM & HO, Ananthapur, the CO had already authorized the same to him vide his Procs.No.Rc.No.6853/B3/97-98, dt. 7-7-97.

- Thereafter, the CO released an amount of Rs. 2,74,510/- under SH (35) in favour of the drawing officer, DM & HO, Warangal vide his Procs.No.6853/B3/97-98, dt. 7-7-97 by falsely quoting the above-mentioned concurrence number i.e. J1/12020/97-98(c), dt. 3-7-97.

10.2. The Charged Officer in his final written arguments stressed that the then Director of Treasuries and Accounts, Sri M.Brahmaiah, initiated action against him with the ulterior motive of making him ineligible for promotion for the post of the DTA. The CO pleaded that he has been a victim of the like and dislikes as he belongs to Schedules Caste community. He further contended that the Director of Health is the Head of the Department and he is the competent authority to renew, supervise/maintain in order to monitor and control various health programmes. He has taken the plea that it is under the instructions of the Director of Health that he issued the releases. It is difficult to comprehend why the C.O. has not brought the Director of Health, as a Defence witness if he insists that it was with his orders, he has done everything for which he is being charged. Agreed, there could have been occasions where changes could be warranted against and a fresh concurrence orders obtained in view of the changed circumstances and needs. It should not be forgotten that the C.O. belongs to Treasuries Department and is deputed to the Health Department as a Financial Advisor. He has every right to disagree with the Director of Health, if the later does insist on something, which is beyond his purview as per rules. The C.O. did nothing of the sort in this case. **The Inquiry Officer gone through the available files, and it is clear that, the releases have been issued under the signatures of the C.O. and the allegations of excess releases, releases meant for one district released to another, the released under fake concurrence numbers are clearly made out against the C.O.** The plea about his alleged victimization due to his caste deserved no discussion. The charge that, as the then JD, Office of the Director of Medical and Health Services, the C.O. released amount more than the concurrence numbers to the district units and also released the amount without quoting the relevant budget authorization letter No. of the DTA are clearly made out. **Hence the Inquiring authority holds that both the articles of charges against the Charged Officer are held proved.**

11. In the mean while, Sri G.Guru Raju the then Joint Director, Office of the Director of Medical and Health Services retired from service on attaining the age of superannuation. Therefore, it was decided to take further action against him as per Rule 9 of A.P. Revised Pension Rules, 1980.

12. Government, after careful examination of the Charges framed against Sri G.Guru Raju, Joint Director (Retd.), his written statement of defence and the findings of the Enquiry Officer found that the Charges framed against him were held proved substantially and furnished a copy of the Enquiry report to the Charged Officer vide reference 6<sup>th</sup> read above.

13. The Director of Treasuries and Accounts has forwarded the explanation of Sri G.Guru Raju, Joint Director (Retd.) vide reference 7<sup>th</sup> read above. Government, after careful examination of the explanation of the Charged Officer, Sri G.Guru Raju, Joint Director (Retd.) with reference to the findings of the Enquiry Officer and other relevant material found that in the inquiry it is clearly proved that the Charged Officer released the amounts more than the concurrence obtained from the Director of Treasuries and Accounts and in some cases released the amounts without quoting the relevant budget authorizations letter Nos. of the DTA in violation of norms prescribed for release of budget. Further the contention of the Charged Officer about alleged victimization due to his caste deserves no consideration, as there is no relevance of his caste in this matter. Hence, the Charges framed against him are held proved substantially. Therefore, Government came to a provisional conclusion for imposition of punishment of withholding of 20% of his pension permanently on the Charged Officer, Sri G.Guru Raju, Joint Director (Retd.), under Rule 9 of A.P. Revised Pension rules, 1980. Accordingly, a final show cause notice was issued to the Charged Officer, Sri G.Guru Raju, Joint Director (Retd.) vide reference 8<sup>th</sup> read above.

14.1 The Charged Officer, Sri G.Guru Raju, Joint Director (Retd.) submitted his explanation vide reference 9<sup>th</sup> read above. The contention of the Charged Officer is that he has not provided all the 30 records for perusal, which was included in the Annexure-III to the Charge Memo. In Annexure-III to the Charge Memo a list of 30 documents have been quoted. They are as follows:

- a) One item of complaint made by stated to be “ suffering pensions of twin cities at the hands of Guru Raju JD” (original is available in this office file, not sought for by the CO)
- b) 12 items of documents of budget concurrences issued by DTA (original are available with COI): and
- c) 17 items of documents of budget release proceedings issued by the Director of Medical and Health Services communicated with the ink signatures of the Charged Officer.

Along with the above 12 original documents at item (b), 17 Xerox copies of documents (at item c) and one Zerox copy of complaint (at item a) above, 5 original files belonging to DM & HS department (which were obtained from DM & HS) wherein certain original budget distributions were made by the Charged Officer were submitted to the Commissioner of Inquiries by the DTA. The Charged Officer has sought the original files in respect of Sl.No.2 5,6,9,11,12,13,14,15,16,17 of Annexure-I attached to Statement of Imputations of the charge memo and one order at Annexure-II attached to the statement of imputations of the charge memo for perusal. It is noticed that these are not traced in the O/o. the Director of Health and Medical Services. **The 30 documents listed in Annexure-III to the charge memo are sufficient to prove the charges framed against him.**

14.2. The following original Budget Release Orders sent by the Charged Officer, Sri G.Guru Raju, JD, O/o. Director of Medical & Health Services, Hyderabad with his ink signatures to various District Treasuries were furnished to the Inquiring Authority for perusal by the C.O.

Sl.No.	Item No. of Annexure-I attached to Annexure-II of the Charge Memo	Name of the District	Budget Release Order Procs.No. & Date.
1.	2,6,11 & 14	Ananthapur, Warangal, Nalgonda & East Godavari respectively	6853/B3/97-98, dt. 7-7-1997
2.	8	Vizianagaram	6706/B1/97-98, dt. 12-2-1998
3.	12	West Godavari	6708/B1/97-98, dt. 11-2-1998
4.	13	West Godavari	6706/B1/97-98, dt. 23-7-1997
5.	15	East Godavari	6706/B1/97-98, dt. 26-7-1997
6.	15	East Godavari	6706/B1/97-98, dt. 23-7-1997
7.	16	East Godavari	6883/B1/97-98, dt 05-03-1998
8.	16	East Godavari	6883/B1/97-98, dt5-2-1998
9.	17	Karimnagar	6752/B1/97-98, dt 11-11-1998
10.	12	East Godavari	6708/B1/97-98, dt 11-2-1998
11.	Annexure-II (Attached to Annexure-II of the Charge Memo)	Ananthapur and other Districts	6852/B3/97-98, dt. 10-97

14.3 As against the 13 items of original Budget Release Orders sought by the Charged Officer 2 orders (Sl.NO.5 & 9) could not be traced out. Further, when a detailed report was sought from the Chief Accounts Officer, DM & HS in 11/2002, he has intimated in his letter No.B/9550/2002, dt. 1-1-2003 that number of files pertaining to the period of Sri G.Guru Raju Joint Director was not traced out because the records were not handed over by him to his successors. He has also forwarded an Inspection Report on K.G.Hospital, Visakhapatnam,

wherein it was pointed out that expenditure over and above the budget release was booked during the year 1997-98. Therefore, it is evident that the Charged Officer is intentionally raising the issue of producing original files, which he knows fully well that they are not traceable due to his non-handing over to his successor. In fact the documents made available to him as per Annexure-III of the Charge memo are more than enough for him to answer the charges. **The ink signature documents of the Charged Officer in original, clearly establish the lapse of the Charged Officer.** The available original Budget Release Orders are sufficient to prove the charges framed against Sri Guru Raju, Joint Director.

15. Government, after careful examination of the Charges, written statement of defence and explanations of the Charged Officer, Sri G. Guru Raju, Joint Director (Retd.), with reference to the findings of the Enquiry Officer and final show-cause notice in detail found that the Charged Officer released the amounts more than the concurrence obtained from the Director of Treasuries and Accounts and in some cases released the amounts without quoting the relevant budget authorizations letter Nos. of the DTA in violation of norms prescribed for release of budget. **The ink signature of the Charged Officer, Sri Guru Raju, Joint Director on the original documents clearly establish the lapse of the Charged Officer** and sufficient to prove the charges framed against him. Therefore, Government came to a provisional conclusion for imposition of a punishment of withholding of 20% of his pension permanently on him under Rule 9 of A.P. Revised Pension Rules, 1980 and referred the matter to the Andhra Pradesh Public Service Commission, Hyderabad for their concurrence vide letter 12<sup>th</sup> read above.

16. The Andhra Pradesh Public Service Commission, Hyderabad in their letter 13<sup>th</sup> read above, have concurred with the proposal of the Government for imposition of a punishment of withholding of 20% of pension permanently on the Charged Officer, Sri G. Guru Raju, Joint Director (Retd.). Meanwhile Sri G. Guru Raju, the Charged Officer submitted a representation, dt. 31-7-2008 requesting to do justice keeping in view the mental agony, loss of promotion suffered by him.

17. Government, after careful examination of the matter, further, keeping in view the representation of Charged Officer, dt. 31-7-2008 decided to impose a penalty of withholding of 10% of pension for a period of (5) five years on Sri G. Guru Raju, Joint Director (Retd.) on humanitarian grounds as the officer has already retired from service and hereby order accordingly.

18. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

19. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**DR. SAMEER SHARMA  
SECRETARY TO GOVERNMENT (FP)**

To

The individual through the Director of Treasuries & Accounts, A.P., Hyderabad.

The Director of Treasuries and Accounts, A.P., Hyderabad.

Copy to:

The Accountant General, A.P., Hyderabad.

The Secretary, Andhra Pradesh Public Service Commission, A.P., Hyderabad

The Secretary, Andhra Pradesh Vigilance Commission, A.P. Secretariat, Hyderabad.

SF/SC

**:: FORWARDED BY ORDER ::**

**SECTION OFFICER**